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Was OPEC's Q2 supply decision a vote of confidence in demand recovery?

It was well orchestrated and not a surprise. It reflects the expected pace of economic recovery and oil demand post pandemic. By petering out their preannounced cuts, they will get to the target of 5.8 million bd by July, so we are on course, but with a seven-month delay to what had been planned last year. In addition, we have the flexibility of the Saudi one million barrels which can be used as a safety valve when needed and without any consultation - this discretionary tool was very smart policy.

How concerned should OPEC plus be about US shale's return at these levels?

We will remain in a \$60 to \$65 target corridor until inventories and spare capacity are drawn down and normalized. The path becomes less clear after that. The hope would be that demand and economic growth will be strong enough to accommodate any increase in production from the US and other parts of the world because they would be able to produce at these price levels.

How significant is India's turn away from Middle East oil producers?

They have only threatened to do this so far, and at the end of the day, it's a global market so it's just a transaction cost and not a fundamental change because that oil will just come from somewhere else. From a traders' point of view, it would generate income possibilities and for those who produce, it triggers adjustments in oil flows, but for the outside market observer, it doesn't cause any major ruckus in prices.

On the radar this week?

We have inflation data being released, including in the US, but it's too early to expect any update of inflation that would calm markets. We also have the IMF World Bank spring meetings, publication of the minutes of the Federal Reserve monetary policy meeting and publication of EIA US crude stocks. ■

**Paraphrased comments*

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